

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO *et al.*,

Debtors.<sup>1</sup>

PROMESA Title III

Case No. 17 BK 3283-LTS

(Jointly Administered)

**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF ASSURED GUARANTY  
CORP. AND ASSURED GUARANTY MUNICIPAL CORP. WITH RESPECT TO  
OMNIBUS MOTION BY OFFICIAL COMMITTEE OF UNSECURED CREDITORS,  
FINANCIAL OVERSIGHT AND MANAGEMENT BOARD, AND ITS SPECIAL  
CLAIMS COMMITTEE TO EXTEND TIME FOR SERVICE OF SUMMONSES AND  
COMPLAINTS AND TO STAY CERTAIN ADVERSARY PROCEEDINGS RELATING  
TO CERTAIN CHALLENGED GO BONDS**

Assured Guaranty Corp. and Assured Guaranty Municipal Corp. (together, “Assured”) hereby submit this limited objection and reservation of rights (the “Limited Objection and Reservations of Rights”) to the *Omnibus Motion By Official Committee Of Unsecured Creditors, Financial Oversight And Management Board, And Its Special Claims Committee To Extend Time For Service Of Summons And Complaints And To Stay Certain Adversary Proceedings Relating To Certain Challenged GO Bonds* (ECF No. 6857) (the “Commonwealth Stay Motion”) and respectfully state as follows:

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<sup>1</sup> The Debtors in these Title III cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s Federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (“Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 04780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

**LIMITED OBJECTION AND RESERVATION OF RIGHTS**

1. Through the Commonwealth Stay Motion, the Official Committee of Unsecured Creditors (the “UCC”), the Financial Oversight and Management Board for Puerto Rico (“FOMB”), and FOMB’s so-called “Special Claims Committee” (the “SCC”) seek to stay indefinitely certain adversary proceedings (the “Adversary Proceedings”) that they and/or certain individual members of the SCC (together with the UCC, FOMB, and the SCC, the “Plaintiffs”) filed on or around May 2, 2019.<sup>2</sup>

2. Each of the Adversary Proceedings subject to the Commonwealth Stay Motion is without merit, for which reason Assured believes the Adversary Proceedings in their entirety constitute a waste of resources and a distraction from the real goals of PROMESA, which are to provide a method for Puerto Rico to achieve “fiscal responsibility” and “access to the capital markets” (see PROMESA § 101(a)) and, to the extent any debt restructuring is needed, to achieve such debt restructuring through good faith negotiations and voluntary agreements. See, e.g., PROMESA §§ 104(i), 206(a)(1), and tit. VI. Because the Adversary Proceedings are meritless and counterproductive to the goals of PROMESA, any time and other resources that the Plaintiffs expend on the Adversary Proceedings could be put to better use negotiating with Assured and other creditors towards either a Title VI voluntary agreement or a consensual Title III plan of adjustment.

3. Assured objects to the Commonwealth Stay Motion and related proposed order insofar as the proposed order is asymmetrical with respect to the rights of plaintiffs and defendants to seek relief from the proposed stay. As currently drafted, the proposed order provides that “all plaintiffs in an Adversary Proceeding” may cause the stay to be lifted at their option and without making a showing of “good cause,” whereas otherwise any single defendant or plaintiff

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<sup>2</sup> Some or all of the Plaintiffs in fact lacked authority or standing to act as plaintiffs with respect the Adversary Proceedings, which is one of the many reasons that the Adversary Proceedings will be subject to meritorious motions to dismiss.

must ask the Court to lift the stay “for good cause shown.” (ECF No. 6857-1). In the interests of fairness and to achieve uniformity between the rights of plaintiffs and defendants, Assured requests that the proposed order be modified in accordance with the revised proposed order attached hereto as “Exhibit A”, such that plaintiffs have no special ability to obtain relief from the stay and instead “Any defendant or plaintiff in an Adversary Proceeding may at any time file a motion . . . asking the Court to lift the stay applicable to such Adversary Proceeding for good cause shown.”

4. Assured reserves its right to further object to or otherwise respond to the Commonwealth Stay Motion, including at any hearing on the Commonwealth Stay Motion.

5. Assured also reserves its right to join in any objections or responses by other parties in interest to the Commonwealth Stay Motion.

6. Finally, Assured reserves all of its rights to participate in the Adversary Proceedings, including by (i) intervening in any Adversary Proceeding in which Assured has not been named as a party and (ii) moving for dismissal of any Adversary Proceeding at the appropriate time.

Dated: May 28, 2019  
New York, New York

CASELLAS ALCOVER & BURGOS P.S.C.

/s/ Heriberto Burgos Pérez

Heriberto Burgos Pérez  
USDC-PR No. 204,809  
Ricardo F. Casellas-Sánchez  
USDC-PR No. 203,114  
Diana Pérez-Seda  
USDC-PR No. 232,014  
E-mail: hbburgos@cabprlaw.com  
rcasellas@cabprlaw.com  
dperez@cabprlaw.com

P.O. Box 364924  
San Juan, PR 00936-4924  
Tel.: (787) 756-1400  
Fax: (787) 756-1401

*Counsel for Assured Guaranty Corp. and  
Assured Guaranty Municipal Corp.*

CADWALADER, WICKERSHAM & TAFT  
LLP

/s/ Howard R. Hawkins, Jr.

Howard R. Hawkins, Jr.\*  
Mark C. Ellenberg\*  
William Natbony\*  
Ellen M. Halstead\*  
Thomas J. Curtin\*  
Casey J. Servais\*  
200 Liberty Street  
New York, New York 10281  
Tel.: (212) 504-6000  
Fax: (212) 406-6666  
Email: [howard.hawkins@cwt.com](mailto:howard.hawkins@cwt.com)  
[mark.ellenberg@cwt.com](mailto:mark.ellenberg@cwt.com)  
[bill.natbony@cwt.com](mailto:bill.natbony@cwt.com)  
[ellen.halstead@cwt.com](mailto:ellen.halstead@cwt.com)  
[thomas.curtin@cwt.com](mailto:thomas.curtin@cwt.com)  
[casey.servais@cwt.com](mailto:casey.servais@cwt.com)

\* admitted pro hac vice

*Counsel for Assured Guaranty Corp. and  
Assured Guaranty Municipal Corp.*

**CERTIFICATE OF SERVICE**

I hereby certify that I filed this document electronically with the Clerk of the Court using the CM/ECF System, which will send notification of such filing to all parties of record in the captioned case.

At New York, New York, 28<sup>th</sup> day of May, 2019.

By: /s/ Howard R. Hawkins, Jr.  
Howard R. Hawkins, Jr.\*  
\* admitted pro hac vice